<div align="center">**DETAILED ACTION**</div>

<div align="center">**Response to Amendment**</div>

1.   Applicant's amendment filed on December 5, 2008 has been considered and entered in full.

2.   Applicant's amendments with respect to the rejected claims have been considered and are persuasive; therefore all the rejections on the respective claims have been withdrawn.

<div align="center">*Examiner's Amendment*</div>

3.   An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no later than the payment of the issue fee.

Authorization for this examiner's amendment was given in a telephone interview with applicant's attorney/agent of record, Mr. A Blair Hughes, Registration no. 32,901, on 12/18/2008, at 4:10 p.m., Examiner's amendment:

<div align="center">*In The Claims*</div>

(a).   The following changes to the claims have been approved by the examiner and agreed upon by applicant:

(i) **Replace the subject matter of claim 1 as presented in the amendment filed on 12/05/2008 with:**

Examiner's amendment: "A method of data compression for colour images wherein it incorporates the following steps:

using a computer to perform the steps of:

     a) establishing a value for a number of scales into which a wavelet transformation is to be made;

     b) distinguishing areas in an original colour image of relatively higher importance from those of relatively lower importance;

     c) transforming the colour image into a second image in a different colour system having relatively more image information in a first component and relatively less in other components;

     d) sub-sampling the other components to reduce their respective numbers of pixels;

     e) transforming the first component and the sub-sampled components into wavelet coefficients with the said number of scales;

     f) transforming the importance-distinguished areas to correspond to location and number of scales of the wavelet transformation; and

     g) establishing a wavelet coefficient threshold and forming a reduced wavelet image by discarding wavelet coefficients which both correspond to image areas of relatively lower importance and are below the said threshold..

 (ii) **Replace the subject matter of claim 11 as presented in the amendment filed on 12/05/2008 with:**

 Examiner's amendment: "A computer readable medium including a computer program for use in data compression of colour images and having instructions for controlling computer apparatus to implement the following steps:

a) receiving a value for a number of scales into which a wavelet transformation is to be made;

b) receiving an indication of areas in an original colour image having relatively higher importance and those of relatively lower importance;

c) transforming the colour image into a second image in a different colour system having relatively more image information in a first component and relatively less in other components;

d) sub-sampling the other components to reduce their respective numbers of pixels;

e) transforming the first component and the sub-sampled components into wavelet coefficients with the said number of scales;

f) transforming the importance-distinguished areas to correspond to location and number of scales of the wavelet transformation; and

g) establishing a wavelet coefficient threshold and forming a reduced wavelet image by discarding wavelet coefficients which both correspond to image areas of relatively lower importance and are below the said threshold;

wherein the computer readable medium is a computer readable storage medium.

(iii) **Replace the subject matter of claim 21 as presented in the amendment filed on 12/05/2008 with:**

Examiner's amendment: "An apparatus for use in data compression of colour images comprising: computer that is programmed to implement the following steps:

a) receiving a value for a number of scales into which a wavelet transformation is to be made;

b) receiving an indication of areas in the original colour image having relatively higher importance and those of relatively lower importance;

c) transforming the original colour image into a second image in a different colour system having relatively more image information in a first component and relatively less in other components;

d) sub-sampling the other components to reduce their respective numbers of pixels;

e) transforming the first component and the sub-sampled components into wavelet coefficients with the said number of scales;

f) transforming the importance-distinguished areas to correspond to location and number of scales of the wavelet transformation; and

g) establishing a wavelet coefficient threshold and forming a reduced wavelet image by discarding wavelet coefficients which both correspond to image areas of relatively lower importance and are below the said threshold.

(iv) **Replace the subject matter of claim 31 as presented in the amendment filed on 12/05/2008 with:**

Examiner's amendment: "A method of data compression for colour images wherein it incorporates the following steps:

using a computer to perform the steps of:

a) establishing a value for a number of scales into which a wavelet transformation is to be made;

b) distinguishing areas in an original colour image of relatively higher importance from those of relatively lower importance, and specifying a plurality of different levels of relatively lower importance;

c) transforming the colour image into a second image in a different colour system having relatively more image information in a first component and relatively less in other components;

d) sub-sampling the other components to reduce their respective numbers of pixels;

e) transforming the first component and the sub-sampled components into wavelet coefficients with the said number of scales;

f) transforming the importance-distinguished areas to correspond to location and number of scales of the wavelet transformation; and

g) establishing a wavelet coefficient threshold and forming a reduced wavelet image by discarding wavelet coefficients which both correspond to image areas of relatively lower importance and are below the said threshold, and discarding progressively more wavelet coefficients as area importance level diminishes.

Allowable Subject Matter

Reasons of Allowance:

4.   Claims 1-31 are allowed.

The following is an examiner's statement of reasons of allowance:

The reasons of allowance for claims 1-31 should be evident from the previous office action mailed on 07/22/2008.

Any comments considered necessary by applicant must be submitted no later than the

payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee.

Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Any inquiry concerning this communication or earlier communications from the examiner

should be directed to Manav Seth whose telephone number is (571) 272-7456. The examiner can

normally be reached on Monday to Friday from 8:30 am to 5:00 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor,

Matt Bella, can be reached on (571) 272-7778. The fax phone number for the organization where

this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent

Application Information Retrieval (PAIR) system. Status information for published applications

may be obtained from either Private PAIR or Public PAIR. Status information for unpublished

applications is available through Private PAIR only. For more information about the PAIR system,

see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system,

contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/Manav Seth/   /Matthew C Bella/
Examiner, Art Unit 2624   Supervisory Patent Examiner, Art Unit
December 18, 2008   2624